

STATE OF MISSOURI



DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

P.O. Box 690, Jefferson City, Mo. 65102-0690

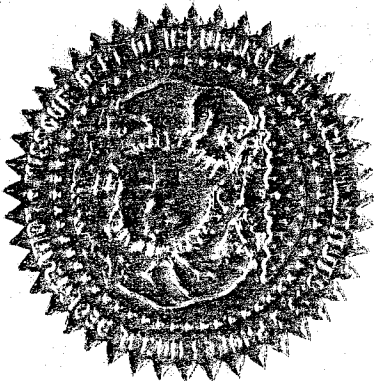
RE: Examination Report of RGA Reinsurance Company as of December 31, 2005

ORDER

After full consideration and review of the report of the financial examination of RGA Reinsurance Company for the period ended December 31, 2005, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Douglas M. Ommen, Director, Missouri Department of Insurance, Financial Institutions and Professional Registration pursuant to section 374.205.3(3)(a), RSMo., adopt such report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, the findings and conclusions of the examination report are incorporated by reference and deemed to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo.

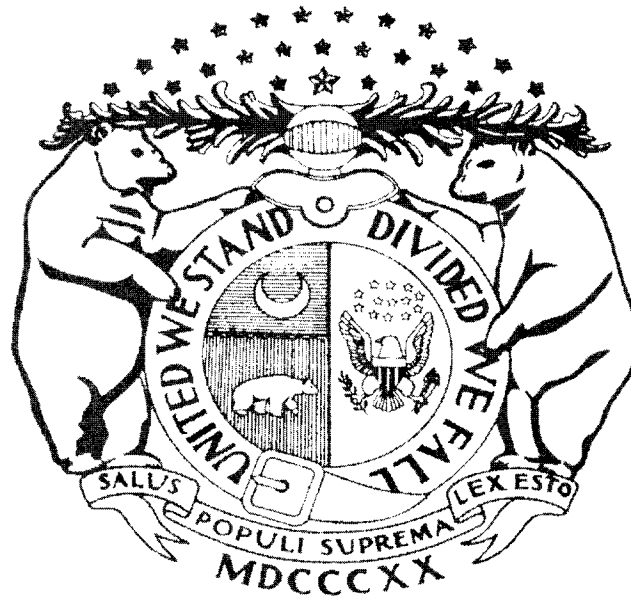
Based on such findings and conclusions, I hereby ORDER RGA Reinsurance Company, to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) implement, and verify compliance with, each item mentioned in the General Comments and/or Recommendations section of such report; (2) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this April 10, 2007.



DOUGLAS M. OMMEN, Director
Department of Insurance, Financial Institutions
and Professional Registration

REPORT OF
FINANCIAL EXAMINATION
RGA REINSURANCE COMPANY



AS OF
DECEMBER 31, 2005

STATE OF MISSOURI

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND
PROFESSIONAL REGISTRATION

JEFFERSON CITY, MISSOURI

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January 12, 2007
Chesterfield, Missouri

Honorable Alfred W. Gross, Commissioner
Bureau of Insurance
Virginia State Corporate Commission
Chairman, Financial Condition (E) Committee, NAIC

Honorable Ann Womer Benjamin, Director
Department of Insurance
State of Ohio
Secretary, Midwestern Zone, NAIC

Honorable Douglas M. Ommen, Director
Missouri Department of Insurance, Financial Institutions and Professional Registration
301 West High Street, Room 530
Jefferson City, Missouri 65101

Dear Sirs/Madam:

In accordance with your financial examination warrant, a full scope association financial examination has been made of the records, affairs and financial condition of:

RGA Reinsurance Company

hereinafter referred to as such or as "RGA Re" or as the "Company." The Company's statutory home office is located at 1370 Timberlake Manor Parkway, Chesterfield, Missouri, telephone number (636) 736-7300. This examination began on May 15, 2006 and concluded on January 12, 2007.

SCOPE OF EXAMINATION

Period Covered

The last full scope association financial examination of the Company was made as of December 31, 2002, by examiners from the state of Missouri representing the Midwestern Zone of the National Association of Insurance Commissioners (NAIC) with no other zones participating.

The current full scope association financial examination covers the period from January 1, 2003, through December 31, 2005, and was conducted by examiners from the state of Missouri representing the Midwestern Zone of the NAIC with no other zones participating.

This examination also included material transactions and/or events occurring subsequent to December 31, 2005.

Procedures

This examination was conducted using the guidelines set forth in the Financial Condition Examiners Handbook of the National Association of Insurance Commissioners, except where practices, procedures and applicable regulations of the Missouri Department of Insurance, Financial Institutions and Professional Registration and statutes of the state of Missouri prevailed.

COMMENTS PREVIOUS EXAMINATION

The comments and recommendations of the previous examination report, made as of December 31, 2002, are listed below. The Company's response to these items and the current findings related to the 2002 comments and recommendations are also documented below.

Comment: AVR/IMR Liability Information

The prior examination found that the Company did not provide information to support the IMR and AVR liabilities in a timely manner or was not provided at all. The Company was required to submit information to support IMR balances directly to the Missouri Department of Insurance for the 2000, 2001 and 2002 Annual Statements and all subsequent periods until it could be demonstrated that adequate records were being maintained. The Company was also required to establish procedures to ensure IMR and AVR calculations (and supporting data) could be provided in a timely manner for future examinations.

Company Response:

"The Company's calculations of AVR and IMR as reported in the December 31, 2000, 2001 and 2002 Annual Statements were based on detail and analysis from both internal and external sources. This detail was not consistently maintained which contributed to the delay in providing information to the Missouri Department of Insurance during the review."

"Due to a transition in third party providers, historical detail was not easily obtainable for the current examination. However, the Company recognizes the importance of providing support and will comply with the requirement to prepare and forward to the Missouri Department of Insurance the necessary detail. Furthermore, the Company has developed procedures to ensure that the data used in the calculations of the AVR and IMR can be provided in a timely manner in the future."

Current Findings:

The Company was able to provide supporting information related to the IMR and AVR liabilities in a timely manner for the current examination. No additional concerns were noted in this area.

HISTORY

General

The Company was incorporated on August 31, 1981, as General American Life & Annuity Company and was issued a Certificate of Authority as a stock life company under the provisions of Chapter 376 RSMo "Life, Health and Accident Insurance."

On September 1, 1988, the Company changed its name to Saint Louis Reinsurance Company. The Company's name was changed to its current name, RGA Reinsurance Company on April 26, 1995.

RGA Reinsurance Company is currently licensed by the Department of Insurance, Financial Institutions and Professional Registration, under Chapter 376 RSMo. The Company is authorized to write the following lines of business as set forth in its Certificate of Authority: life, annuities and endowments, accident and health insurance and variable contracts.

Capital Stock and Paid In Surplus

The Articles of Incorporation authorize the Company to issue one hundred thousand shares of capital stock having a par value of \$100 per share. There were twenty five thousand shares of common stock issued and outstanding at December 31, 2005, for a balance of \$2,500,000 in the Company's capital account. All outstanding shares are owned by Reinsurance Company of Missouri, Incorporated (RCM).

Gross paid in and contributed surplus totaled \$686,000,000 at December 31, 2005. The following table shows the changes to the gross paid in and contributed capital account during the examination period.

Prior to 2003	\$ 463,000,000
2003	207,000,000
2004	8,000,000
2005	<u>8,000,000</u>
TOTAL	<u>\$ 686,000,000</u>

Dividends

No dividends have been paid to stockholders during the examination period.

Management

The Company's Articles of Incorporation and Bylaws prescribe that the number of directors shall not be less than nine or more than twenty-one. The directors elected and serving as of December 31, 2005, were as follows:

<u>Name and Location</u>	<u>Business Affiliation</u>
David Blaine Atkinson	Executive Vice President and Chief Operating Officer, Reinsurance Group of America, Inc., President and Chief Executive Officer, RGA Re and RCM
Frank Anthony Alvarez	Executive Vice President RGA Reinsurance Company
Mark Daniel Buehrer	Senior Vice President, Valuation and Financial Analysis RGA Reinsurance Company
Todd Cory Larson	Senior Vice President, Controller and Treasurer RGA Reinsurance Company
Jack Brien Lay	Executive Vice President and Chief Financial Officer RGA Reinsurance Company
Robert Martin Musen	Executive Vice President RGA Reinsurance Company
Paul Arthur Schuster	Executive Vice President, U.S. Operations RGA Reinsurance Company
Anne Bookwalter Walsh	Senior Vice President and Chief Investment Officer RGA Reinsurance Company
Albert Greig Woodring	President and Chief Executive Officer Reinsurance Group of America, Incorporated
Melville Jay Young	Executive Vice President, U.S. Operations RGA Reinsurance Company

The Bylaws call for a President, one or more Vice Presidents, a Secretary, and a Treasurer. The same person may hold any two offices (except the offices of President and Secretary).

The officers of the Company elected and serving as of December 31, 2005, as shown in the Jurat page of the Annual Statement were as follows:

<u>Name</u>	<u>Office</u>
David B. Atkinson	President and Chief Executive Officer
Todd C. Larson	Senior Vice President, Controller & Treasurer
Mark D. Buehrer	Senior Vice President, Valuation and Financial Analysis
Frank A. Alvarez	Executive Vice President
Jack B. Lay	Executive Vice President & Chief Financial Officer
Robert M. Musen	Executive Vice President
Paul A. Schuster	Executive Vice President, U.S. Operations
James E. Sherman	Executive Vice President, General Counsel & Secretary
Melville J. Young	Executive Vice President, U. S. Operations
Wayne D. Adams	Senior Vice President & Chief Marketing Officer, U.S. Operations
Anne E. Bookwalter Walsh	Senior Vice President & Chief Investment Officer
Jaime Correa	Senior Vice President
Brendan J. Galligan	Senior Vice President, Asia Pacific
John C. Holowaty	Senior Vice President & Chief Medical Director, U.S. Operations
Joel S. Iskiwitch	Senior Vice President, Accident and Health
John P. Laughlin	Senior Vice President
Joni W. Lehman	Senior Vice President, Operations
Denis W. Loring	Senior Vice President
Richard E. Nolle	Senior Vice President
Kenneth D. Sloan	Senior Vice President, Underwriting
Michael S. Stein	Senior Vice President & Chief Operating Officer, U.S. Operations
Dana C. Wiele	Senior Vice President, Associate General Counsel
Stephen A. Zonca	Senior Vice President

Additionally there were forty-nine Vice-Presidents, an Assistant Treasurer and an Assistant Secretary not included in the above listing of officers.

The Bylaws empower the Board of Directors to designate an executive committee or other committees that they deem desirable. The Company has established an investment committee with the following members at December 31, 2005: David B. Atkinson, Jack B. Lay, Anne E. Bookwalter Walsh, and Mark D. Buehrer.

Conflict of Interest

Reinsurance Group of American, Incorporated (RGA Inc.) and subsidiaries follow a corporate Code of Business Conduct and Ethics policy outlining the responsibilities and expectations of employees. In addition, directors, officers and key employees are required to execute conflict of interest disclosure statements annually. The certificates are collected and reviewed by the company's internal audit department. A summary of Conflicts is presented to RGA Inc.'s audit committee annually. No significant conflicts of interest were disclosed during the period under examination.

Corporate Records

Shareholders' and Board of Directors' meeting minutes were reviewed for the period under examination. The minutes appeared to properly support and approve the corporate transactions and events for the period under examination. The April 2004 Board of Directors' meeting minutes documented the review of the Report of Financial Examination made as of December 31, 2002, by the Missouri Department of Insurance.

The Company's Articles of Incorporation and Bylaws were also reviewed. There were no changes to the Articles or Bylaws during the examination period.

Acquisitions, Mergers and Major Corporate Events

There were no acquisitions, mergers or major corporate events directly affecting RGA Reinsurance Company.

Surplus Debentures

The Company had two surplus debentures issued and outstanding at December 31, 2005, to Reinsurance Group of America, Incorporated. The principal amounts outstanding were as follows:

<u>ISSUE DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
December 15, 1997	\$40,000,000	7.35%	December 15, 2027
December 15, 1998	<u>60,000,000</u>	7.08%	December 15, 2028
TOTAL	<u>\$100,000,000</u>		

Additionally, \$299,500 of interest was accrued and reported with the surplus notes for a total of \$100,299,500, as special surplus funds per Missouri 20 CSR 200-1.070(5)(c) (Subordinated Indebtedness). This regulation states "All outstanding subordinated indebtedness and interest accruing shall be reported at face value in the Annual Statement on page 3 and in other financial statements of the company as a special surplus account."

AFFILIATED COMPANIES

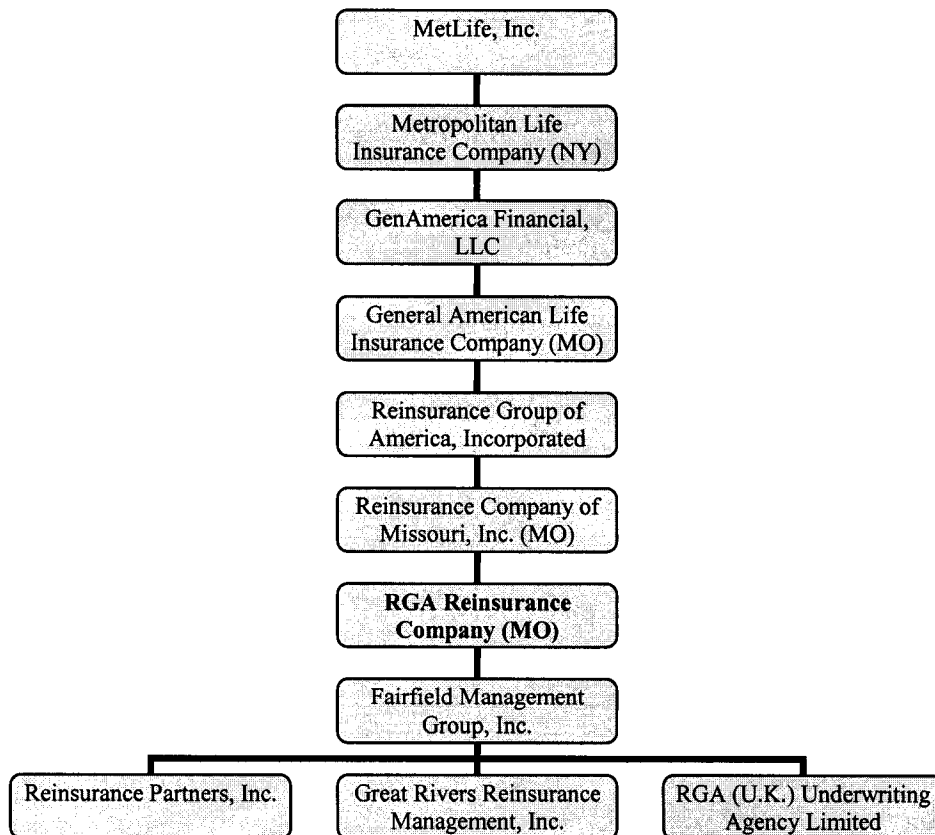
Holding Company, Subsidiaries and Affiliates

The Company is part of an Insurance Holding Company System as defined by Section 382.010 RSMo (Definitions). The Company is a wholly owned subsidiary of Reinsurance Company of Missouri, Incorporated, a Missouri corporation, which received its Certificate of Authority to operate as an insurance company on April 20, 2000.

Reinsurance Company of Missouri, Incorporated is wholly owned by Reinsurance Group of America, Incorporated, a Missouri holding company formed in December 1992. Reinsurance Group of America, Incorporated is owned 52.8% by General American Life Insurance Company, which is wholly owned by GenAmerica Financial, LLC, which is wholly owned by Metropolitan Life Insurance Company, a New York domiciled insurance company. The ultimate parent of the holding company system is MetLife, Inc.

Organizational Chart

The following is a small segment of the entire organizational chart and depicts those companies directly related to RGA Reinsurance Company. All companies are 100% owned by their immediate parent unless otherwise noted. General American Life Insurance Company owns 52.8% of Reinsurance Group of America, Inc.



Affiliated Transactions

The Company has entered into various agreements with affiliates. The agreements are discussed below:

1. Type: Administrative Services Agreement
Parties: RGA Technology Partners, Inc. and RGA Reinsurance Company
Effective: May 5, 2003
Terms: RGA Reinsurance Company provides certain administrative services for its software technology consultant/developer/vendor business. "Administrative Services" include services necessary to handle the human resource, legal, finance, facilities, corporate communications, corporate training, networks, and systems infrastructure functions in relation to Client's business, including but not limited to: marketing of software, negotiating software license agreements and software consulting agreements, providing software support services to RGA Technology's clients under these agreements and any necessary or appropriate ancillary functions relating to the services.
Rates: Fees are calculated monthly equal to the cost of providing the Administrative Services. The fee is due within one month of receipt of the monthly invoice issued by RGA Reinsurance Company.

The Company has similar software related Administrative Services Agreements in place with Fairfield Management Group, Inc. and RGA Financial Group, LLC, effective March 11, 2005, and September 27, 1995, respectively.

2. Type: Administrative Services Agreement
Parties: RGA International Reinsurance Company Limited and RGA Reinsurance Company
Effective: April 13, 2005
Terms: RGA Reinsurance Company is the provider of certain administrative services related to reinsurance business in the Asia Pacific region. "Administrative Services" include services necessary to handle the policy and treaty administration functions and marketing functions of RGA International's business including but not limited to: marketing of reinsurance products and services, actuarial services, underwriting services, claims services, client servicing on an advisory and non-binding basis, data processing, data administration services, record keeping, investment management services and any necessary or appropriate ancillary functions relating to those services above.
Rates: RGA International Reinsurance Company Limited pays RGA Reinsurance Company an amount equal to all expenses, direct and indirect, attributed to services and facilities provided by RGA

Reinsurance Company. The basis for determining the charges to RGA International Reinsurance Company Limited shall be similar to those used by RGA Reinsurance Company for internal cost distribution. The fee is calculated quarterly and a copy of the fee calculation must be provided to RGA International Reinsurance Company Limited.

A similar agreement is in place with Reinsurance Company of Missouri, Incorporated, effective July 6, 1999.

3. Type: Administrative Services Agreement
Parties: RGA Americas Reinsurance Company, Ltd. and RGA Reinsurance Company
Effective: July 1, 2004
Terms: RGA Reinsurance Company is the provider of certain administrative services for international reinsurance business. "Administrative Services" means the services (and ancillary functions) necessary to handle the finance, valuation, tax, investment, systems, and reinsurance administration functions in relation to RGA Americas' business.
Rates: Fees are calculated equal to all expenses incurred by RGA Reinsurance Company that are attributed to services and facilities provided for RGA Americas' business. The basis for determining the charges to RGA Americas Reinsurance Company, Ltd. shall be similar to those used by RGA Reinsurance Company for internal cost distribution. The fee is calculated quarterly and a copy of the fee calculation must be provided to RGA Americas Reinsurance Company, Ltd. The fee is due within one quarter of receipt of a quarterly invoice issued by RGA Reinsurance Company.

RGA Reinsurance Company has a similar agreement with RGA Reinsurance Company (Barbados) Ltd., effective July 1, 2004.

4. Type: Administrative Services Agreement
Parties: RGA Reinsurance Company and RGA Services India Private Limited
Effective: July 5, 2005
Terms: RGA Reinsurance Company retains RGA Services India Private Limited to provide certain administrative services in respect of its business. "Administrative Services" means the services necessary to handle the human resource, legal, finance, facilities, valuation, tax, investment, systems, and reinsurance administration functions in relation to RGA Reinsurance's business, including but not limited to providing support for software development services on internal IT projects and any necessary or appropriate ancillary functions to those referred to above.

Rates: RGA Reinsurance Company pays RGA Services India Private Limited an amount equal to all expenses, direct and indirect, reasonably and equitably determined to be attributable to RGA Reinsurance Company for services and facilities provided by RGA Services India Private Limited. The basis for determining the charges shall be similar to those used by RGA Services India Private Limited for internal cost distribution. RGA Reinsurance Company pays RGA Services India Private Limited an additional fee equal to 8% of the costs calculated above. The fee is calculated monthly and due within 90 days of each month end.

RGA Reinsurance Company has similar Administrative Service agreements with the following affiliates: General America Life Insurance Company, effective January 1, 1993; RGA Australian Holdings Pty Limited, effective December 1, 1997; and RGA Life Reinsurance Company of Canada, effective January 1, 2003. The agreement with RGA Life Reinsurance Company of Canada stipulates the fee will be paid on a quarterly basis. The agreement with RGA Services India Private Limited is the only administrative service agreement that includes the 8% additional fee.

5. Type: Administrative Services Agreement
Parties: RGA Reinsurance Company and Metropolitan Life Insurance Company
Effective: January 1, 2002
Terms: Metropolitan Life Insurance Company renders certain services necessary in the administration of the RGA Reinsurance Company dental benefit plan. These services include: consulting, actuarial, technical and provider network services, claim processing services, report services and any additional services necessary.
Rates: The monthly service fee is determined in the manner set forth in the Monthly Service Fee - Applicable Rates Appendix. During each contract period the monthly service fee may be adjusted each time there is an increase, or decrease, of 10% or more in the number of plan participants. Payments of the monthly service fee are due to Metropolitan Life Insurance Company on the first day of each calendar month.
6. Type: Administrative Services Agreement
Parties: RGA Reinsurance Company and RGA Technology Partners, Inc.
Effective: May 5, 2003
Terms: RGA Technology Partners, Inc. provides installation, maintenance and support services for AURA software that is provided to RGA Reinsurance's customers along with all necessary or appropriate ancillary functions.

Rates: Fees are calculated monthly equal to direct costs incurred by RGA Technology Partners, Inc. in providing the Administrative Services. The fee is due within one month of receipt of the monthly invoice issued by RGA Technology Partners, Inc.

7. Type: Services Agreement
Parties: RGA Reinsurance Company and RGA Asia Pacific Pty Limited
Effective: September 4, 2003
Terms: RGA Reinsurance Company retains RGA Asia Pacific Pty Limited to provide certain services in connection with RGA Reinsurance's business in New Zealand and Asia. "Services" means consultancy services and advice in relation to accounting, sales, marketing, investment administration, pricing, underwriting and claims practices, treaty and administration system development, and data validation and handling.
Rates: Fees are calculated monthly based on an allocation of the actual costs incurred by RGA Asia Pacific Pty Limited. The fee is calculated by RGA Asia Pacific's cost accounting staff in accordance with its cost accounting rules. In addition, RGA Reinsurance Company pays RGA Asia Pacific Pty Limited a fee equal to 8% of the allocated costs. The fees is payable quarterly within 30 days of receipt of invoice.
8. Type: Product License and Service Agreement
Parties: Metropolitan Life Insurance Company and RGA Reinsurance Company
Effective: July 1, 2002
Terms: RGA Reinsurance Company affords Metropolitan Life Insurance Company a non-exclusive license to use RGA Reinsurance Company's electronic underwriting product for underwriting and issuing its own insurance policies.
Rates: Metropolitan Life Insurance Company pays RGA Reinsurance Company fees in the amounts set forth in Schedule A of the agreement. The fee is due on a monthly basis.

An additional agreement, effective June 2, 2005, is in place with Metropolitan Life Insurance Company for a license to use RGA Reinsurance Company's reinsurance product to expedite processing of reinsurance policies.

9. Type: Marketing Agreement
Parties: RGA Reinsurance Company and RGA International, Ltd.
Effective: September 1, 1997
Terms: RGA International, Ltd. uses its best efforts to identify profitable future reinsurance sales, markets and ventures for RGA Reinsurance

Company in markets outside of North America. RGA International, Ltd. consults with RGA Reinsurance Company as to all matters related to the negotiation, terms, conditions, and documentation of future reinsurance business proposed for assumption or retrocession to RGA Reinsurance Company. Neither RGA International, Ltd. nor its officers or directors have binding authority for RGA Reinsurance Company. Instead, binding authority rests with officers of RGA Reinsurance Company.

Rates: Fees are based on RGA International, Ltd.'s costs of providing services to RGA Reinsurance Company and are subject to adjustment on an annual basis. The cost of providing the services is determined by the RGA International Ltd. accounting department in accordance with its internal cost accounting process and methodology. In addition, RGA Reinsurance Company pays a fee equal to 0.5% of the net reinsurance premiums developed by RGA International, Ltd. on behalf of RGA Reinsurance Company. The additional fee applies only to net reinsurance premium on reinsurance contracts initially generated by RGA International, Ltd., and any renewals thereon. Payment is due on or before the last business day of a quarter.

10. Type: Reinsurance Intermediary Management Agreement
Parties: RGA Reinsurance Company and RGA Financial Group, L.L.C.
Effective: December 30, 1995
Terms: RGA Financial Group, L.L.C. shall, to the extent requested by RGA Reinsurance Company, manage the assumed reinsurance business of RGA Reinsurance Company and act as an agent for RGA Reinsurance Company by providing the services described in Schedule B of the agreement. RGA Financial Group, L.L.C. shall not have binding authority from or on behalf of RGA Reinsurance Company. Binding authority shall continue to rest with an officer of RGA Reinsurance Company and such officer shall not be affiliated with RGA Financial Group, L.L.C.
Rates: The calculation of fees varies depending on the treaty involved as prescribed in Schedule A of the agreement.

11. Type: Tax Allocation Agreement
Parties: Reinsurance Group of America, Incorporated, RGA Reinsurance Company, Reinsurance Company of Missouri, Incorporated, Fairfield Management Group, Inc., Reinsurance Partners, Inc., and Great Rivers Reinsurance Management, Inc. Amendment 1 adds RGA Reinsurance Company (Barbados) Ltd. effective January 1, 2001. Amendment 2 adds RGA Technology Partners, Inc. effective March 21, 2003. Amendment 3 adds RGA Americas Reinsurance Company, Ltd

effective January 1, 2004. Amendment 4 removes Great Rivers Reinsurance Management, Inc. effective December 31, 2005.

Effective: January 1, 1998

Terms: The federal income tax liability of each member is determined as if each member filed a separate income tax return. The tax liability computed, including liability for estimated taxes, is remitted by each member to RGA Inc. in the same amounts and on the same dates (minus 5 working days) as the member would have been obligated to make payment to the IRS had it filed directly with the IRS. RGA Inc., upon receipt of such payment, makes the required payment of the consolidated income tax liability to the IRS.

All of the above agreements have been appropriately filed with the Department of Insurance, Financial Institutions and Professional Registration.

FIDELITY BOND AND OTHER INSURANCE

The majority of the Company's insurance coverage is administered through MetLife Insurance Company, which purchases insurance coverage for itself and its subsidiaries. The Company is a named insured on a financial institutions bond with a single loss limit of \$5,000,000 and an aggregate limit of \$10,000,000. This coverage complies with the suggested minimum amount of fidelity insurance prescribed by the NAIC.

The Company carries statutory worker's compensation coverage and \$1,000,000 of employer's liability coverage. The Company is also covered by other insurance policies, including but not limited to: commercial general and automobile liability, directors and officers liability, property insurance and crime coverage. The Company appears to be adequately protected by its insurance coverage.

EMPLOYEE BENEFITS AND PENSION PLANS

The Company offers its employees a range of benefits including medical coverage, dental and vision care, employee and dependent life insurance, accidental death and dismemberment protection, long-term disability protection, workers compensation, and a flexible benefits plan under Section 125 of the Internal Revenue Code (Cafeteria Plan). The flexible benefits plan provides for payment of certain health care costs and dependent care costs with pretax dollars.

Employees are also provided with a noncontributory defined benefit pension plans and other post retirement plans. The fair value of pension and other benefit assets backing this plan at December 31, 2005 was \$16,076,477 and benefit obligations were \$34,828,884. Employees are also provided a defined contribution profit sharing savings plan with the matching contribution features of a 401(k) plan. In addition, life insurance and medical and dental coverage are available to retirees.

The Company also offers the standard benefits of vacation and sick leave, holidays, maternity leave, military leave, jury duty, bereavement, and other benefits such as tuition reimbursement, educational seminars and recruiting bonuses.

STATUTORY DEPOSITS

Deposits with the State of Missouri

The funds on deposit with the Department of Insurance, Financial Institutions and Professional Registration as of December 31, 2005, are reflected below. These deposits had sufficient par and market values to meet the deposit requirement for the state of Missouri per Section 376.290 RSMo (Trust Deposits) and Section 375.460 RSMo (Deposits with director):

<u>Type of Security</u>	<u>Par Value</u>	<u>Market Value</u>	<u>Statement Value</u>
U.S. Treasury Note	\$ 1,500,000	\$ 1,501,530	\$ 1,502,438

Deposits with Other States

The Company has funds on deposit with other states in which it is licensed. Those funds on deposit as of December 31, 2005, were as follows:

<u>State</u>	<u>Type of Security</u>	<u>Par Value</u>	<u>Market Value</u>	<u>Statement Value</u>
Arkansas	U.S. Treasury Note	\$ 120,000	\$ 117,610	\$ 119,103
Florida	U.S. Treasury Note	120,000	117,610	119,103
Georgia	U.S. Treasury Bond	50,000	50,301	50,198
Massachusetts	U.S. Treasury Bond	100,000	122,789	99,161
New Mexico	U.S. Treasury Note	105,000	104,176	104,192
North Carolina	U.S. Treasury Note/MM Fund	425,000	425,306	425,488
South Carolina	U.S. Treasury Note	200,000	200,204	200,325
Virginia	U.S. Treasury Note	65,000	63,705	64,514
Total		<u>\$ 1,185,000</u>	<u>\$ 1,201,701</u>	<u>\$ 1,182,084</u>

Other Special Deposits

In addition to the funds on deposit with the various states, RGA Reinsurance has numerous other securities reported as special deposits. These deposits are not for the benefit of all policyholders. The deposits are funds held by RGA Re to back specific reinsurance contracts, funds held on joint deposit with banks to meet regulatory requirements for operations in foreign countries and funds on deposit that provide collateral for the Company's liquidity policy with the Federal Home Loan Bank. The statement and market value of these securities at December 31, 2005, was \$1,547,272,663 and \$1,551,405,985, respectively.

INSURANCE PRODUCTS AND RELATED PRACTICES

Territory and Plan of Operations

RGA Reinsurance Company is licensed with the Department of Insurance, Financial Institutions and Professional Registration under Chapter 376 RSMo “Life and Accident Insurance” to write life insurance, annuities and endowments, accident and health insurance and variable contracts. The Company markets life and health reinsurance to other insurers through company sales representatives and is one of the country’s largest reinsurers. At December 31, 2005, the Company was licensed in 46 states and the District of Columbia. It was not licensed in Connecticut, Maine, New Hampshire and New York. However, in all four states mentioned above, the Company was an authorized reinsurer. RGA Reinsurance Company writes a negligible amount of direct written insurance.

The Company engages in life and annuity reinsurance within the United States and engages in life, annuity and accident and health reinsurance internationally. It provides its U.S. and Canadian clients primarily with traditional ordinary life mortality reinsurance and also with significant amounts of reinsurance on in force blocks of business, financial reinsurance and asset intensive reinsurance including ordinary annuity business and corporate-owned ordinary life insurance. The Company provides its U.S. clients with a significant amount of life and annuity surplus relief, the majority of which it retrocedes on terms that result in a net profit.

The Company provides its Latin America clients with traditional ordinary life mortality reinsurance and provides its clients in the Asia Pacific market with traditional ordinary life mortality reinsurance, financial reinsurance and critical care reinsurance.

Policy Forms & Underwriting, Advertising & Sales Materials, and Treatment of Policyholders

The Missouri Department of Insurance, Financial Institutions and Professional Registration has a market conduct staff that performs a review of these issues and generates a separate market conduct report. To date, no market conduct examination has ever been performed on this Company.

REINSURANCE

General

Direct written, assumed and ceded premium for the current examination period was as follows:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Direct Business	\$ 2,161,675	\$ 2,133,358	\$ 2,511,407
Reinsurance Assumed	8,459,430,258	9,742,845,952	4,143,454,504
Reinsurance Ceded	<u>4,904,914,510</u>	<u>8,022,382,262</u>	<u>1,900,429,335</u>
Net Premiums	<u>\$ 3,556,677,423</u>	<u>\$ 1,722,597,048</u>	<u>\$ 2,245,536,576</u>

Business is assumed on either an automatic or facultative basis under various reinsurance methods, primarily coinsurance and YRT (yearly renewable term). The large yearly fluctuations in assumed and ceded premiums shown above resulted primarily from two annuity assumptions. The largest was a 2004 treaty with American Life Insurance Company under which RGA Re assumed \$7.4 billion of premium in 2004 and \$2.8 billion in 2005. This business was 100% retroceded to RGA's affiliate, RGA Americas. The second was a 2005 annuity agreement with Hartford Life Insurance Company under which RGA Re assumed \$1.4 billion.

Assumed

The Company's primary business is the assumption of ordinary life and annuity reinsurance. Business is assumed on either an automatic or facultative basis, under both coinsurance and YRT (yearly renewable term) reinsurance agreements. Ordinary life and annuity business accounted for 98% of total net premium assumed during the examination period.

RGA Re's ordinary life premiums remained relatively stable during the examination period, producing net premiums for the years under examination that ranged from \$1.0 billion to \$1.4 billion. The most significant ordinary life transaction occurred in 2003 when RGA Re assumed the U.S. ordinary life reinsurance business of Allianz Life Insurance Company of North America. As a result of this transaction, RGA Re reported an additional \$569.7 million of premium, \$154.8 billion of insurance in force and \$324.4 million of pre-tax surplus strain. The Company offset the initial strain incurred on this transaction through reinsurance arrangements and surplus contributions from its parent.

RGA Re's net annuity premiums increased substantially during the examination period, largely due to the assumptions described in the *General* section above. Other significant annuity transactions occurring during the examination period included the termination of a financially significant agreement with Transamerica Occidental Life Insurance Company and the conversion of an agreement with Ohio National Life Insurance Company from a Coinsurance/Funds Withheld to Coinsurance basis. Each of these transactions had significant impact on individual Annual Statement balance sheet items, but had no material impact on the Company's surplus.

The Company also assumes a large amount of financial reinsurance, most of which is retroceded on a 100% coinsurance basis. The assumptions noted above from American Life Insurance Company and Hartford Life Insurance Company were both financial reinsurance agreements.

The Company discontinued its assumption of new accident and health insurance in 1998 and all agreements that are still in force are in run-off. Accident and health insurance comprised less than 1% of the net premiums in 2005.

Ceded

The Company's retrocession program is divided into three areas: pools, quota share agreements and facultative agreements. A substantial percentage of the Company's business is retroceded to affiliates. Of the \$4.9 billion ceded premiums in 2005, \$3.5 billion was ceded to affiliates (\$375 of the \$870 billion ceded in force insurance was ceded to affiliates).

Most of RGA Re's retrocessions to affiliates were ceded either to RGA Reinsurance Co. (Barbados) Ltd. or RGA Americas Reinsurance Co. Ltd. The collective retrocessions in 2005 to these two companies totaled \$3.4 billion premiums and represented \$341 billion insurance in force. Both of these companies are unauthorized reinsurers. The unauthorized reinsurance review for this examination found that all reinsurance credits claimed for retrocessions to unauthorized reinsurers were adequately collateralized, as required by Missouri 20 CSR 200-2.100, Credit for Reinsurance.

Prior to 2003, business ceded to retrocession pools was divided into a North American Pool and an International Pool. Different retentions and cession limits applied to each pool. These two pools were combined in 2003; however retentions and cession limits on international business continue to be determined by the country in which the business written. Cessions to the pool in 2005 were automatic for amounts up to \$32 million for North American business and up to \$20 million for International business. These limits were lowered to \$26 million and \$15 million respectively for 2006.

The pool consists of twenty members with each member assuming a specified percentage of each cession. The participation shares by the member companies varied over the years under examination. The largest participants for each year were Manufacturers Life Insurance Company, Sun Life Insurance Company and Royal Bank of Canada Insurance Company. These companies' participation shares for 2005 rounded to 24%, 19% and 9% respectively for North American business, and to 20%, 19% and 13% respectively for International business.

RGA Re's maximum retention in 2005 was \$6 million per individual life for North American business, with decreased retention levels for nonstandard risks and for individuals over age 80. The maximum retention was \$2.5 million for International business with retention levels that varied based on various risk factors.

RGA has two catastrophe reinsurance agreements. The first provides catastrophe coverage for COLI, BOLI and TOLI business, (company owned, bank owned, and trust owned life insurance). This coverage is for \$50 million excess of \$25 million with Maximum One Life coverage of \$6 million. The second agreement provides coverage of \$12.5 million excess of \$10 million for reinsurance assumed on professional athletes.

During December 2005, the Company also completed two reinsurance agreements with its parent, Reinsurance Company of Missouri, Incorporated. Under these agreements, the Company ceded a significant amount of ordinary life business that is subject to the Valuation of Life Insurance Policies Model Regulation (commonly referred to as Regulation XXX). The net effect of these agreements was a pre-tax increase in surplus of \$258.2 million, of which \$128.8 was included in ordinary life pre-tax net income, offsetting the strain assumed on 2005 business. The remaining \$129.4 million was included in the surplus adjustment for in force reinsurance (after a \$45.3 million adjustment for federal income taxes). In June 2006, Reinsurance Company of Missouri, Incorporated novated the business assumed from RGA Reinsurance Company to its newly formed subsidiary, Timberlake Reinsurance Company II. The agreements related to these transactions were submitted to the Department of Insurance, Financial Institutions and Professional Registration and were not disapproved.

ACCOUNTS AND RECORDS

General

The Company uses an internally written client-server application (GARE System) to maintain the reporting of significant operational functions such as underwriting, billing, claims and actuarial. A commercially written software system (PeopleSoft Financials) is used for general ledger, accounts payable, and human resources / payroll purposes.

Independent Auditor

An independent accounting firm audits the Company annually. The Company's auditor for the year ended December 31, 2005, was Deloitte & Touche LLP. A review was made of the workpapers of the most recent CPA audit. These workpapers and reports were used in the course of this examination as deemed appropriate.

Independent Actuary

Reserves and related actuarial items as of December 31, 2005 were reviewed and certified for the Company by Mark D. Buehrer, Senior Vice President, Valuation and Financial Analysis, RGA Reinsurance Company.

Consulting actuary, Leon Langlitz, FCAS, MAAA, of Lewis & Ellis, Inc., was retained by the Missouri Department of Insurance, Financial Institutions and Professional Registration to review the adequacy of the Company's reserves.

Information Systems

In conjunction with this examination, Andrew Balas, Information Systems Financial Examiner with the Missouri Department of Insurance, Financial Institutions and Professional Registration conducted a review of the Company's information systems.

FINANCIAL STATEMENTS

The following financial statements, with supporting exhibits, present the financial condition of the Company as of December 31, 2005, and the results of operations for the year then ended. Any examination adjustments to the amounts reported in the Annual Statement and/or comments regarding such are made in the "Notes to the Financial Statements," which follow the Financial Statements. The failure of any column to add to its respective total is due to rounding or truncation.

There may have been additional differences found in the course of this examination, which are not shown in the "Notes to the Financial Statements." These differences were determined to be immaterial concerning their effect on the financial statements, and therefore were only communicated to the Company and noted in the examination workpapers.

ASSETS

	Ledger and Non- Ledger Assets	Assets Not Admitted	Net Admitted Assets
Bonds	\$ 3,675,348,716		\$ 3,675,348,716
Preferred stocks	281,032,869		281,032,869
Common stocks	16,808,933		16,808,933
Mortgage loans	641,556,279		641,556,279
Cash and short term investments	53,615,971		53,615,971
Contract loans	987,441,740		987,441,740
Other invested assets	24,847,258		24,847,258
Receivable for securities	2,987,791		2,987,791
Investment income due and accrued	44,706,514		44,706,514
Premiums in course of collection	836,604,771	13,644,050	822,960,721
Amounts recoverable from reinsurers	21,379,265	6,049,649	15,329,616
Funds held by reinsured companies (NOTE 1&2)	3,099,050,807		3,099,050,807
Other amounts receivable under reinsurance	72,856,169	825,675	72,030,494
Federal and foreign income taxes	961,120		961,120
Net deferred tax asset	47,597,589	39,935,815	7,661,774
EDP equipment and software	16,679,794	14,597,009	2,082,785
Furniture & other non-admitted assets	5,850,812	5,850,812	0
Receivable from affiliates	3,100,309	7,357	3,092,952
Other amounts due on reinsurance assumed	53,171,455	1,257,416	51,914,039
Cash surrender value of corporate life insurance	7,642,151		7,642,151
From Separate Accounts	<u>14,483,031</u>	<u>-</u>	<u>14,483,031</u>
Total Assets	<u>\$ 9,907,723,344</u>	<u>\$ 82,167,783</u>	<u>\$ 9,825,555,561</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts	NOTE 2	\$ 5,553,262,126
Aggregate reserve for accident and health policies		55,912,167
Life policy and contract claims	NOTE 2	797,343,605
Accident and health policy and contract claims		33,281,944
Policyholders' dividends apportioned for payment		8,621,609
Surrender values on canceled contracts		4,098,725
Provision for experience rating refunds		36,402,834
Other amounts payable on reinsurance	NOTE 2	70,284,155
Interest maintenance reserve		10,522,977
Commissions to agents due or accrued		112,778,217
General expenses due or accrued		25,692,052
Taxes, licenses and fees due or accrued		5,065,703
Amounts withheld or retained by company as trustee		13,705,532
Remittances and items not allocated		482,942,587
Asset valuation reserve		21,544,164
Reinsurance in unauthorized companies		2,038,094
Funds held under reinsurance with unauthorized reinsurers	NOTE 2	1,506,871,167
Payable to affiliates		4,417,729
Funds held under coinsurance	NOTE 2	92,706,807
Payable for securities		907,070
From Separate Accounts		<u>14,483,031</u>
Total Liabilities		\$ 8,852,882,295
Common capital stock		\$ 2,500,000
Surplus notes		100,299,500
Paid in and contributed surplus		686,000,000
Unassigned funds (surplus)		<u>183,873,766</u>
Total Capital and Surplus		\$ <u>972,673,266</u>
Total Liabilities and Capital and Surplus		<u>\$ 9,825,555,561</u>

SUMMARY OF OPERATIONS

Premium considerations	\$ 3,556,677,423	
Net investment income	317,681,831	
Amortization of Interest maintenance reserve	10,605,649	
Commissions on reinsurance ceded	718,069,760	
Reserve adjustments on reinsurance ceded	637,085,140	
Miscellaneous income	63,718	
Adjustment for inforce reinsurance ceded	(156,382,545)	
Interest on funds withheld	97,024,749	
Other income	<u>3,047,989</u>	
Total Revenue		\$ 5,183,873,714
Death benefits	1,123,805,461	
Annuity benefits	118,227,851	
Disability benefits	20,755,092	
Surrender benefits and withdrawals for life contracts	348,819,816	
Interest on deposit-type contracts	10,444,432	
Increase in aggregate reserves	230,356,584	
Commissions on premiums	19,982	
Commissions and allowances on reinsurance assumed	1,353,236,842	
General insurance expenses	96,079,248	
Insurance taxes, licenses and fees	11,461,276	
Net transfers to (from) Separate Accounts	(74,422)	
Reserve adjustments on reinsurance assumed	<u>1,889,565,036</u>	
Total Benefit Costs and Insurance Expenses		<u>5,202,697,198</u>
Gain from operations before dividends, federal income taxes and realized capital gains or (losses)		\$ (18,823,484)
Dividends to policyholders	8,463,722	
Federal income taxes incurred	38,496,326	
Net realized capital gains or (losses)	<u>3,024,782</u>	
Net Income		<u>\$ (62,758,750)</u>

CAPITAL AND SURPLUS ACCOUNT

Surplus as regards policyholders, December 31, prior year		\$ 869,442,804
Net income	(62,758,750)	
Change in net unrealized captial gains (losses)	(467,804)	
Change in net unrealized foreign exchange capital gains (losses)	1,294,719	
Change in nonadmitted assets	(18,809,128)	
Change in net deferred income tax	6,869,282	
Change in liability for reinsurance in unauthorized companies	30,617,906	
Paid in surplus adjustment	8,000,000	
Change in surplus as a result of reinsurance	156,382,547	
Surplus note interest	(7,188,000)	
Regulatory fines and penalties	(747)	
Change in asset valuation reserve	(8,272,666)	
Examination changes	<u>(2,436,896)</u>	
Change in surplus as regards policyholders		<u>103,230,463</u>
Surplus as regards policyholders, December 31, 2005		<u>\$ 972,673,267</u>

EXAMINATION CHANGES

Total Capital and Surplus per Company, December 31, 2005

Common capital stock	\$ 2,500,000
Surplus notes	100,299,500
Gross paid in and contributed surplus	686,000,000
Unassigned funds (surplus)	<u>186,310,663</u>
TOTAL CAPITAL AND SURPLUS	975,110,163

Examination Changes:

		<u>INCREASE IN SURPLUS</u>	<u>DECREASE IN SURPLUS</u>	
Assets				
Funds held by reinsured companies	Notes 1 & 2	3,099,050,807		
Funds withheld on reinsurance assumed	Note 1		3,051,712,547	
Liabilities				
Aggregate reserve for life contracts	Note 2		33,868,745	
Life contract claims	Note 2	711,300		
Other amounts payable on reinsurance	Note 2		987,824	
Funds held with unauthorized reinsurers	Note 2		16,712,245	
Funds held under coinsurance	Note 2	<u>1,082,359</u>		
TOTALS		<u>3,100,844,466</u>	<u>3,103,281,361</u>	
Net Change				(2,436,895)

Total Capital and Surplus Per Examination, December 31, 2005

Common capital stock	2,500,000	
Surplus notes	100,299,500	
Gross paid in and contributed surplus	686,000,000	
Unassigned funds (surplus)	<u>183,873,768</u>	-
TOTAL CAPITAL AND SURPLUS		<u>\$ 972,673,268</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 1 *Funds held by reinsured companies* **\$3,099,050,807**

Funds held by reinsured companies was increased by \$3,099,050,807, due to two examination adjustments. The first examination adjustment of \$3,051,712,547 was simply a reporting reclassification from Annual Statement asset line 2302 to asset line 14.2. The Company reported this asset as a write-in due to the Annual Statement blank previously not containing a line item for this asset category. This balance should now be reported on asset line 14.2 as the Annual Statement format has recently been amended to incorporate a line item for this item. The second examination adjustment of \$47,338,260 is described in NOTE 2 below.

NOTE 2 <i>Funds held by reinsured companies</i>	\$3,099,050,807
<i>Aggregate reserve for life contracts</i>	\$5,553,262,126
<i>Funds held under reinsurance with unauthorized reinsurers</i>	\$1,506,871,167
<i>Life contract claims</i>	\$797,343,605
<i>Other amounts payable on reinsurance</i>	\$70,284,155
<i>Funds held under coinsurance</i>	\$92,706,807

Adjustments were made to each of the above Annual Statement line items for the following amounts: Funds held by reinsurance companies was increased by \$47,338,260, Aggregate reserve for life contracts was increased by \$33,868,745, Funds held under reinsurance with unauthorized reinsurers was increased by \$16,712,245, Life contract claims was decreased by \$711,300, Other amounts payable on reinsurance was increased by \$987,824, and Funds held under coinsurance was decreased by \$1,082,359. The adjustments were made based on a retrospective review of December 2005 reinsurance transactions. The examination review had the benefit of current information, while the Company's reported amounts were based on a one month lag. The total examination adjustment increased assets by \$47,338,260 and liabilities by \$49,775,156, resulting in a net decrease to surplus of \$2,436,896.

GENERAL COMMENTS AND/OR RECOMMENDATIONS

None

SUBSEQUENT EVENTS

There have been no significant subsequent events directly impacting RGA Reinsurance Company.

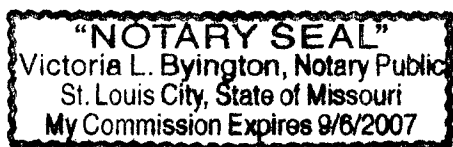
ACKNOWLEDGMENT

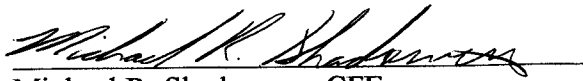
The assistance and cooperation extended by the officers and the employees of RGA Reinsurance Company during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Richard Hayes, CFE, Karen Milster, CPA, CFE and John M. Boczkiewicz, CPA, CFE, examiners representing the Department of Insurance, Financial Institutions and Professional Registration, participated in this examination.

VERIFICATION

State of Missouri)
) ss
County of St. Louis)

I, Michael R. Shadowens, on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records or other documents of the Company, its agents or other persons examined or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs and such conclusions and recommendations as the examiners find reasonably warranted from the facts.




Michael R. Shadowens, CFE
Examiner-in-Charge
Department of Insurance, Financial
Institutions and Professional Registration

Sworn to and subscribed before me this 5th day of March, 2007.

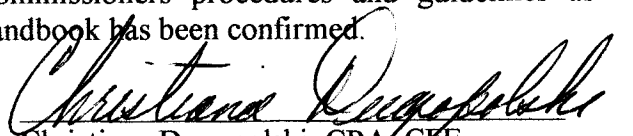
My commission expires:

9/6/2007


Notary Public

SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with the National Association of Insurance Commissioners procedures and guidelines as contained in the Financial Condition Examiners Handbook has been confirmed.


Christiana Dugopolski, CPA, CFE
Audit Manager, St. Louis
Department of Insurance, Financial
Institutions and Professional Registration
Midwestern Zone, NAIC